

complaint

This complaint is about two single premium payment protection insurance (PPI) policies taken out in March 2000 and July 2002 alongside two loans. Mrs E says Nationwide Building Society mis-sold her PPI.

background

The background and circumstances leading up to this complaint, which includes Mrs E's circumstances at the time of both the sales as well as the PPI policies benefits, limitations and exclusions of cover, aren't disputed. So I haven't repeated all of this information here.

Our adjudicator did not uphold the complaint.

Mrs E's representative disagreed with the adjudicator's opinion – they didn't raise any new or additional points but repeated the same complaint points and arguments they'd previously made.

As the complaint couldn't be resolved informally, it has been passed to me for a final decision.

my findings

Although I have only included a summary of the complaint, I have read and considered all the evidence and arguments available to me from the outset, in order to decide what is, in my opinion, fair and reasonable in all the circumstances of this complaint.

When considering what is fair and reasonable, I am required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time.

We've set out our general approach to PPI mis-sale complaints on our website and published some example final decisions that set out in detail how these relevant considerations may apply to PPI sales like Mrs E's. I haven't set out that detailed information here but I've taken into account all relevant considerations in deciding Mrs E's complaint.

Having done so, I've decided not to uphold this complaint and I've summarised my reasons for this conclusion below:

2000 sale

- Looking at the available evidence it seems Mrs E took this policy out by post. I think Nationwide made it clear that Mrs E didn't have to take out the PPI and she chose to take it out. I say this because Nationwide has provided the loan application form which was completed at the time. Within this form there is a section called: '*Protecting your repayments*'. Within this section Mrs E was given an option to select 'Yes' or 'No' to the PPI. On Mrs E's form she has placed a tick in the relevant section, indicating that she wanted the cover. There was also an option to decline this cover. So, taking everything into account, I think it's more likely that Mrs E knew the policy was optional and she agreed to take it out.

2002 sale

- This loan and PPI were arranged during a phone call. Nationwide says it no longer has a recording of the call – I don't think that's unreasonable given how long ago the policy was sold. But it does mean I have limited information available, so I have to decide what I think is more likely based on the available evidence and wider circumstances. Nationwide has provided a copy of the paperwork Mrs E completed following this phone call. Within this I can see there is a separate section detailing '*Optional Credit Insurance*'. I think it's likely this agreement would've reflected the discussions Mrs E had with the Nationwide representative and if Mrs E wasn't sure about anything within the agreement she would've had an opportunity to raise questions before signing it. Taking everything into account, I think it's more likely that Mrs E knew the policy was optional and she agreed to take it out without undue pressure.

2000 and 2002 sale

- Mrs E says Nationwide provided her with advice to take out the PPI with both loans. However, looking at the evidence available from the time of both sales and based on what we know about how Nationwide sold this PPI at the time I don't think advice would've been given to Mrs E. This means Nationwide didn't have to check that the PPI was right or suitable for her. But it did have to give Mrs E enough clear and timely information so she could decide for herself if it was right for her.
- It's possible that for both sales the information Nationwide gave Mrs E about the PPI wasn't as clear as it should've been. But I've found that for both sales she chose to take it out - so it looks like she wanted this type of cover. The cover wasn't fundamentally wrong for Mrs E – for example she wasn't affected by the significant exclusions on or limits to the cover that applied for each sale. And it wasn't too dissimilar to what she reasonably thought she was buying from the information she was given. There were also no additional restrictions on cover for mental health or back problems in either policy. It also looks like each policy was affordable – so it seems like it would have been useful for her if something went wrong. Because of this I don't think Mrs E would have declined the cover had Nationwide done anything more.

Overall, I consider that Mrs E would have still taken out PPI on both occasions. The policies was sufficiently close to what it's likely she thought she was getting. Mrs E has referred to her employer benefits and savings at the time. But I still think the policies could provide a useful benefit in a difficult time, given her overall circumstances in 2000 and 2002. And in those circumstances, I think that she would have taken out the policies in any event.

Mrs E's representative has raised a number of what I consider to be general complaint points, which it says apply to all PPI complaints. These general points include: a claim that the Financial Ombudsman Service is not correctly applying the regulator's rules and guidance for handling PPI complaints; these policies represented poor value because of the number of significant exclusions and limitations of cover coupled with the low claims ratio; and the duty of utmost good faith meant Nationwide should have disclosed the poor value and explained the significance of the limitations and exclusions and the impact it had on the chances of making a claim.

But Mrs E's representative has not said how these points apply to the specific facts and circumstances of Mrs E's individual complaint – just that they apply to all PPI complaints.

I have thought about these things and how they might apply in Mrs E's particular case. But these points don't persuade me to alter my conclusions about what is fair and reasonable in all the circumstances of the complaint – for the reasons I've set out above I don't uphold this complaint.

This means Nationwide doesn't have to do anything to put things right.

my decision

Overall, having considered all the evidence and arguments to decide what is, in my opinion, fair and reasonable in all the circumstances of this complaint and for the reasons I have set out above, I don't uphold Mrs E's complaint – so I make no award.

Under the rules of the Financial Ombudsman Service, I am required to ask Mrs E to accept or reject my decision before 19 September 2021.

Chandni Green
ombudsman